

2008
Reconvened Session

Summary of
Governor's Executive
Amendments to
House Bill 30

Senate Finance Committee
April 23, 2008

House Bill 30

Amendment No. 1 Revenue Adjustments (Item 0)

General Assembly Action: The General Assembly increased the general fund balance forward into the 2008-10 biennium by shifting \$300.0 million in previously-approved capital projects to debt.

Governor's Action: The Governor's revenue page adjustment reflects proposed amendments in the capital outlay section of the budget to shift an additional \$55.0 million GF of previously-approved projects to debt (Amendment No. 25) and to shift one \$6.0 million NGF project at George Mason University from the second year of the biennium to the first year (Amendment No. 26).

Notes:

- The primary purpose of the shift of general fund projects to debt is to provide \$50.0 million in cash for a revolving capital planning fund, which is a component of the conference report on SB/HB 5001, 2008 Special Session I.
- The revenue adjustments in this amendment are also related to Amendments Nos. 17 and 29, concerning Civil War battlefield preservation, and Amendments Nos. 33 and 35 concerning VPBA and VCBA bonds.

Amendment No. 2 Compensation Board Clerks' Fees (Item 74)

General Assembly Action: No action.

Governor's Action: The Governor proposes to add language which would allow circuit court clerks to deposit fees collected into accounts other than those held by the State Treasurer, if otherwise provided by law.

Notes:

- Current Appropriation Act language requires that the fees collected by the circuit court clerks be deposited into the general fund of the state treasury.
- Senate Bill 622, enacted by the 2008 General Assembly, authorizes clerks to deposit a fee collected for the electronic filing of land records into special local accounts, which are to be used to support the electronic systems. Without this amendment, there would be a conflict between the statute as amended by SB 622 and the 2008-10 Appropriation Act.

**Amendment No. 3
Department of General Services
Division of Real Estate Services
(Item 79)**

General Assembly Action: No action.

Governor's Action: The Governor proposes to add language which would convert the Department of General Services' Division of Real Estate Services into an Internal Service Fund. This amendment:

- 1) Revises the current sum sufficient appropriation of \$2.1 million to approximately \$59.2 million to reflect the division taking over a large majority of the Commonwealth's lease payments to private property owners; and,

- 2) Authorizes the director of the Department of Planning and Budget to transfer the current general fund appropriation within Item 79 to the agencies which pay leases from general fund appropriations, to cover the general fund share of the administrative fees for overseeing the leases.

**Amendment No. 4
Department of General Services
Dove Street Armory
(Item 79)**

General Assembly Action: No action.

Governor's Action: The Governor proposes to add language which authorizes the sale of the Dove Street Armory property in Richmond to the Richmond Redevelopment and Housing Authority. The language would allow the proceeds of the sale to be retained by the Department of Military Affairs for maintenance and improvements to the agency's facilities at the Richmond International Airport.

Notes:

- The Dove Street Armory was built in 1966 with 53 percent federal funding and 47 percent state funding. The property is assessed by the City of Richmond at \$894,000 for land (23.46 acres) and \$3.0 million for buildings and improvements.

**Amendment No. 5
Department of General Services
Green Building Code
(Item 81)**

General Assembly Action: The General Assembly adopted language which requires that state buildings be constructed or renovated to energy performance standards that are at least as

stringent as those in the U.S. Green Building Council's LEED rating system or the “Green Globes” rating system.

Governor’s Action: The Governor proposes to strike the reference to the “Green Globes” rating system, and add language allowing the use of Virginia forest products, or federal Energy Star ratings.

Notes:

- This amendment makes the language in the Appropriation Act consistent with Executive Order 48, Energy Efficiency in State Government, issued by the Governor in 2007.

**Amendment No. 6
Virginia Tourism Authority
Daniel Boone Visitor Center
(Item 130)**

General Assembly Action: The General Assembly eliminated proposed pass-through funding of \$100,000 GF each year to support the operations of the Daniel Boone Visitor Center in Scott County

Governor’s Action: The Governor proposes funding of \$100,000 GF in each year for operating costs of this non-state agency.

Notes:

- The Daniel Boone Visitor Center will showcase the role the Wilderness Road played in American history from the mid-1700’s through the early 1800’s.
- The Visitor Center is being developed in partnership with the National Park Service, Virginia State Parks, Mountain Empire Community College, the Scott County Economic Development Authority, the Scott County Tourism Board, and the Virginia Tourism Corporation.

- Federal contributions are estimated at \$2.7 million.

**Amendment No. 7
Direct Aid to Public Education
Virginia Career Education Foundation
(Item 139)**

General Assembly Action: The introduced budget included an increase of \$75,000 each year for the Virginia Career Education Foundation, for a total annual grant of \$125,000. The Senate and House versions of the budget each rejected the proposed increase, but maintained the base budget funding of \$50,000 per year. The Conference Committee then removed the base funding as well, eliminating all state funding for the foundation.

Governor's Action: The Governor proposes restoring the base funding of \$50,000 per year.

Notes:

- Established in 2002, the Virginia Career Education Foundation is a non-profit organization that works to bridge the gap between the large number of career and technical positions available throughout Virginia and the comparatively small number of qualified applicants to fill these positions.
- The funding supports the management of the Commonwealth Scholars and the Governor's Exemplary Standards Awards Program for Career and Technical Education.

Amendment No. 8
Old Dominion University
Modeling and Simulation Research Funding
(Item 185)

General Assembly Action: The General Assembly provided \$3.0 million GF over the biennium for modeling and simulation research (\$1.5 million GF per year).

The Governor initially provided \$4.0 million GF in the first year for this purpose. Higher education institutions receiving this funding for research were provided with 75 percent of the initial amount spread evenly between both years of the biennium as part of the final General Assembly actions.

Governor's Action: The Governor proposes to move the second year funding of \$1.5 million GF to the first year of the biennium, still leaving a total of \$3.0 million GF for the biennium. It is unclear how the program will be funded in the second year.

Notes:

- This amendment provides Old Dominion with 75 percent of their initial amount of proposed research funding (Introduced Budget) in the first year. This is different from the policy that has been applied to the other institutions receiving research funding under the Commonwealth Research Initiative (other institutions were provided with 75 percent of the initial amount spread evenly between both years).

Amendment No. 9
Secretary of Health and Human Resources
Pilot Health Insurance Program
(Item 282)

General Assembly Action: The General Assembly did not approve funding, language, or legislation proposed by the Governor that

would have created a health insurance product for small businesses on a pilot basis at a cost of \$7.8 million GF for the biennium.

Governor's Action: The Governor proposes language authorizing the Secretary of Health and Human Resources to establish a narrowly-focused pilot program in Eastern Virginia to create a health insurance product for low-income, uninsured workers employed by small businesses. Funding for the program would come from NGF revenues the Department of Health has collected from private health insurance companies for quality assurance activities.

Notes:

- It is estimated that \$850,000 NGF would be available during the 2008-10 biennium for this purpose. A private foundation has pledged up to \$1.0 million in matching funds for this initiative. As with the initial proposal, the insurance premiums would be shared equally by the state, the employer and the employee.

Amendment No. 10
Department of Medical Assistance Services
Use of Medicaid Funds for CSA
(Item 283)

General Assembly Action: The General Assembly approved budget language requiring the use of Medicaid for services to Community Services Act (CSA) youth beginning July 1, 2009. Existing language requires the use of Medicaid funds whenever such funds are available and appropriate.

Governor's Action: The Governor proposes language to clarify that Medicaid must be used for eligible CSA youth, except when services are unavailable or inappropriate.

Amendment No. 11
Coverage for Newborns of FAMIS Mothers
(Item 305)

General Assembly Action: The General Assembly did not approve either the funding or the language included in the budget, as introduced, which would have authorized coverage of the birth month plus two months for infants born to women enrolled in the Family Access to Medical Insurance Security (FAMIS) program.

Governor's Action: The Governor proposes language providing coverage for infants from birth through three months who are born to mothers enrolled in FAMIS. This language is identical to the Governor's initial proposal, except that funding estimated at \$90,221 GF for the biennium is not included.

Amendment No. 12
Medicaid Preferred Drug List
(Item 306)

General Assembly Action: The General Assembly restored \$1.0 million GF and \$1.0 million in federal Medicaid matching funds each year by reinstating language that exempted anti-depressant and anti-anxiety medications from Medicaid's preferred drug list. The introduced budget had eliminated this exemption.

Governor's Action: The Governor proposes language and savings of \$1.5 million GF for the biennium by requiring the Pharmacy and Therapeutics (P&T) Committee to review all mental health drug classes, including anti-depressants, anti-psychotics, and anti-anxiety medications, for inclusion on Medicaid's preferred drug list. The proposal also includes language requiring the Department of Medical Assistance Services and the P&T Committee to ensure consideration of clinical efficacy and patient access to needed prescription medications in its review.

Amendment No. 13
Medicaid Rate Increase for Ambulance Providers
(Item 306)

General Assembly Action: The General Assembly eliminated \$2.5 million GF and \$2.5 million in federal Medicaid matching funds each year from overpayments made to ambulance providers.

Governor's Action: The Governor proposes \$2.7 million GF and \$2.7 million in federal Medicaid matching funds each year for a rate increase for ambulance providers, roughly equivalent to the amount of funding reduced from Medicaid for provider overpayments. While **there is no additional appropriation for this rate increase**, the amendment assumes funding will be available from lower utilization of substance abuse treatment services during the 2008-10 biennium.

Amendment No. 14
Medicaid Nursing Home Rate Reduction
(Item 306)

General Assembly Action: The General Assembly reduced \$5.7 million GF the first year and \$5.8 million GF the second year (plus federal Medicaid matching funds each year), by limiting annual inflation for nursing homes to 2.0 percent each year.

Governor's Action: The Governor proposes **technical budget language** to correct the percentage reductions for nursing home payments to ensure that funding for nursing homes is consistent with the General Assembly's intent. If the language is not corrected, additional reductions in nursing home payments will occur.

Amendment No. 15
Mental Retardation Waiver Slots
(Item 305)

General Assembly Action: The General Assembly added \$29.2 million GF and \$29.2 million in federal Medicaid matching funds to phase-in 600 additional Mental Retardation (MR) Waiver Slots over the 2008-10 biennium.

Governor's Action: The Governor proposes budget language clarifying that the number of slots added in the first year will be consistent with the funding provided in the approved budget.

Amendment No. 16
Department of Conservation and Recreation
Additional Support for Virginia Outdoors Foundation
(Item 362)

General Assembly Action: The introduced budget included \$950,000 GF each year in additional operating support for the Virginia Outdoors Foundation (VOF). Senate amendments reduced this amount to \$450,000 per year while House amendments eliminated it entirely. Budget conferees agreed to \$225,000 per year.

Governor's Action: The Governor proposes an additional \$525,000 GF each year, for a net increase of \$750,000 in annual support to VOF.

Notes:

- Total operational support for VOF was increased from \$1,300,000 to \$2,250,000 during the 2007 Session. However, since this increase was approved during the 2007 Session, most of this funding was carried over to FY 2008, while the base budget remained at the \$1,300,000 level.

- VOF also receives \$1.00 on each deed recorded on real estate transactions in any jurisdiction in which VOF holds easements. This fee generated \$835,000 in FY 2007. However, due to the downturn in the housing and refinancing market, funding from this source is projected to be less than \$600,000 in FY 2009.
- Without this amendment, VOF will have to lay off about one third of its staff, which currently includes 37 full-time positions.
- VOF currently has a backlog of landowners on a waiting list to process conservation easements.

Amendment No. 17
Department of Historic Resources
Preservation of Civil War Battlefields
(Item 374)

General Assembly Action: The General Assembly added language in the Department of Conservation and Recreation (DCR) capital outlay budget (Item C-110) that allocated a minimum of \$5.0 million (out of the \$30.0 million Virginia Public Building Authority (VPBA) bond authorization for open space preservation) to be used exclusively for Civil War battlefield preservation.

Governor's Action: The Governor proposes an additional \$5.0 million GF the first year for the Department of Historic Resources' Civil War Historic Site Preservation Fund, for Civil War battlefield preservation. These funds are to be used to make grants to private non-profit organizations for preserving endangered Civil War sites. To be eligible for the grants, the organizations must provide a \$2 match for every \$1 from this fund.

Note: This is the first of a series of five amendments in which the Governor proposes to: (a) free-up \$55.0 million in general fund cash from previously approved capital projects; (b) replace project funding

with VPBA and VCBA debt; and (c) use the freed-up general funds to provide: \$5.0 million GF for the preservation of Civil War battlefields, and \$50.0 million GF for planning future capital projects authorized in the conference reports on SB/HB 5001 (2008 Special Session I). The five amendments in this series include:

- 1) Amendment No. 17 provides \$5.0 million GF for Civil War battlefield preservation
- 2) Amendment No. 25 reverts \$55.0 million from projects funded with general fund cash in the 2006-08 biennium.
- 3) Amendment No. 29 eliminates the language that required \$5.0 million from VPBA bond funds be used for Civil War sites.
- 4) Amendment No. 33 restores \$10.7 million to general government projects by authorization of VPBA bonds.
- 5) Amendment No. 35 restores \$44.3 million to higher education projects by authorization of VCBA bonds.

**Amendment No. 18
Department of Corrections
Patrick County Jail Replacement
(Item 388)**

General Assembly Action: The General Assembly adopted language authorizing the Board of Corrections to approve a new Southern Virginia Regional Jail for Patrick and Henry Counties and the City of Martinsville. If approved, the new regional jail would be eligible for state reimbursement of up to 50 percent of the capital cost.

Governor's Action: The Governor proposes to add language which allows Patrick County to proceed on its own to submit a proposal for a single-jurisdiction replacement jail.

Notes:

- The Department of Corrections has expressed its concern that Henry County and Martinsville may not be interested in utilizing a sufficient number of beds in the proposed regional jail to justify approving the reimbursement by the Board of Corrections of 50 percent of the capital cost.
- Patrick County faces a critical need to replace its jail in the immediate future, so the language is intended to allow Patrick County's replacement project to move forward, regardless of the level of participation by the other two jurisdictions.
- If Patrick County proceeds with a single-jurisdiction jail without Henry County and Martinsville, the level of state reimbursement will be reduced to 25 percent of the capital cost of the project, rather than 50 percent for the regional jail.

Amendment No. 19 Department of Corrections Post-Secondary Education Program in Corrections (Item 390)

General Assembly Action: The General Assembly approved language authorizing the Departments of Corrections and Correctional Education to develop a pilot program with Liberty University to provide computer-based, post-secondary education at the new Green Rock Correctional Center in Chatham.

Governor's Action: The Governor proposes to broaden the language to allow the agencies to cooperate with any public and private institutions of higher education to develop such programs at any of the state's correctional centers.

Amendment No. 20
Fiscal Impact of HB 113 and SB 368, and SB 284
(Bills with Correctional Bedspace Impact)
(Item 391)

General Assembly Action: The General Assembly adopted HB 113/SB 368, which increase the penalty for failing to heed the signal of a law enforcement officer to bring a vehicle to a stop and trying to elude police, if such actions result in the death of a law enforcement officer. The General Assembly also adopted SB 284, which increases the penalty for assaulting a Department of Motor Vehicles' law enforcement officer.

Governor's Action: The Governor proposes to add \$29,362 GF the first year for the Corrections Special Reserve Fund, as required by Section 30-19.1:4 of the Code, for the corrections bedspace impact of these two bills.

Amendment No. 21
Department of Criminal Justice Services
Clarification of HB 599 Distributions
(Item 397)

General Assembly Action: The General Assembly added \$1.5 million GF the first year to provide grants to the Southern and Northern Virginia Internet Crimes Against Children Task Forces. However, this is the same item that includes funding for HB 599 aid to localities with police departments, which is distributed by formula.

Governor's Action: The Governor proposes language clarifying that the additional \$1.5 million for grants to the two task forces is not governed by the language already included within the item which specifies the distribution of HB 599 funds.

Amendment No. 22
Department of Transportation
Local Improvements to State Roadways
(Item 458)

General Assembly Action: The General Assembly provided language allowing localities with the county manager form of government to undertake improvement projects to state-maintained non-interstate roadways, using local funds.

Governor's Action: The Governor proposes language encouraging VDOT to promote local involvement in the construction and improvement of primary and secondary roads.

Notes

- The Governor's proposed language expands the availability of this program to all counties, but restricts the projects eligible for reimbursement to only those projects which are contained in the current Six-Year Improvement Program.

Amendment No. 23
Central Appropriations
Economic Development Incentives for Research
(Item 473)

General Assembly Action: The General Assembly eliminated proposed accelerated payments of \$7.0 million to SRI Inc., a research entity located in the Shenandoah Valley. The Commonwealth is committed to providing \$22.0 million in incentive payments to SRI by FY 2013, and to date has provided \$15.0 million in payments.

Governor's Action: The Governor proposes to provide \$2.0 million in each year of the biennium. This is the amount that was included in the Senate's 2008 proposed amendments.

Amendment No. 24
State Corporation Commission
Corporate Registration Fee Enactment Date
(Item 479)

General Assembly Action: No action.

Governor's Action: The Governor proposes a **technical amendment** conforming the enactment date for registration fees for domestic and foreign corporations to the enactment date of HB 30.

Notes:

- The budget, as adopted by the General Assembly, continues certain annual registration fees for domestic and foreign corporations that were initially approved in the 2002-04 budget. Each subsequent Appropriation Act has advanced the date for the fees to be consistent with the enactment date of the budget.

Amendment No. 25
Reversion of Additional GF Capital Amounts
(Part 2: Capital Project Expenses. Item 2-0)

General Assembly Action: No action.

Governor's Action: The Governor proposes to revert \$55.0 million from projects funded with general fund cash in the 2006-08 biennium.

Note: This is the second in a series of five amendments in which the Governor proposes to: (a) free-up \$55.0 million in general fund cash from previously approved capital projects; (b) replace project funding with VPBA and VCBA debt; and (c) use the freed-up general funds to provide: \$5.0 million GF for the preservation of Civil War battlefields, and \$50.0 million GF for planning future capital projects authorized in the conference reports on SB/HB 5001 (2008 Special Session I).

Amendment No. 26
George Mason University
Surge Space on Fairfax Campus
(Item C-36.50)

General Assembly Action: The budget, as adopted by the General Assembly, provides \$6.0 million NGF (from 9(d) bond proceeds) in FY 2010 for construction of “Swing Space and Data Center” at the Fairfax Campus of George Mason University.

Governor’s Action: The Governor proposes to add language that corrects the title for this project to “Surge Space on Fairfax Campus,” and moves the \$6.0 million NGF appropriation (from 9(d) bond proceeds) from FY 2010 to FY 2009.

Notes:

- This action will allow George Mason University to award the construction contract as soon as funds become available.

Amendment No. 27
George Mason University
Prince William Campus Research Laboratory
(Item C-36.60)

General Assembly Action: No action.

Governor’s Action: The Governor proposes a language amendment to provide capital lease authority for George Mason University to lease research space adjacent to the Prince William campus. The lease will be for a period of 10 years at a cost of approximately \$1.0 million each year.

Amendment No. 28
University of Mary Washington
Expansion of Scope of Residence Halls Project
(Item C-44.20)

General Assembly Action: No action.

Governor's Action: The Governor proposes a language amendment to expand the scope of the capital project entitled "New Construction: Residence Halls" to include renovations.

Notes:

- The 2007 General Assembly authorized \$36.0 million NGF (from 9(d) bond proceeds) for construction of new residence halls at the University of Mary Washington. The project title "New Construction: Residence Halls" prohibits the renovation of the existing structures, which now appears to be a more cost-effective approach for this project.

Amendment No. 29
Department of Conservation and Recreation
Civil War Battlefield Preservation
(Item C-110)

General Assembly Action: The General Assembly added language in the Department of Conservation and Recreation (DCR) capital outlay budget that required that a minimum of \$5.0 million (out of a \$30.0 million VPBA bond authorization for open space preservation) be used exclusively for Civil War battlefield preservation.

Governor's Action: The Governor proposes to eliminate the language requiring this carve-out for Civil War battlefields. This language would have required the Department of Historic Resources to hold fee simple title to Civil War battlefields, which is not consistent with the DHR mission.

Note: This is the third in a series of five amendments in which the Governor proposes to: (a) free-up \$55.0 million in general fund cash from previously approved capital projects; (b) replace project funding with VPBA and VCBA debt; and (c) use the freed-up general funds to provide: \$5.0 million GF for the preservation of Civil War battlefields, and \$50.0 million GF for planning future capital projects authorized in the conference reports on SB/HB 5001 (2008 Special Session I).

**Amendment No. 30
Maintenance Reserve
(Item C-176)**

General Assembly Action: The General Assembly provided \$75.0 million each year from Virginia Public Building Authority (VPBA) bond proceeds for the Maintenance Reserve Revolving Fund.

Governor's Action: Technical clarification. The Governor proposes an amendment to clarify the distinction between allowable "capital" items versus "operational" items.

**Amendment No. 31
George Mason University
Supplement Academic VI and Research I
(Item C-177)**

General Assembly Action: No action.

Governor's Action: The Governor proposes an additional \$5.0 million from Virginia College Building Authority (VCBA) bonds to address market escalation of construction costs for George Mason University's Academic VI and Research II projects.

Notes:

- Amendment No. 34 provides the technical changes to the VCBA bond authorization table to implement this amendment.

**Amendment No. 32
Implementation of SB/HB 5001
(2008 Special Session I)
(Item C - 177.20)**

General Assembly Action: The General Assembly provided \$5.3 million GF in the second year for implementation of SB/HB 5001 (2008 Special Session I). Of this amount, \$5.0 million GF is allocated for preplanning for capital outlay projects, and \$0.3 million GF is for the Department of General Services to support analysis and reporting on capital projects.

Governor's Action: The Governor proposes to move \$5.0 million GF from FY 2010 to FY 2009, in order to provide:

- 1) \$250,000 for acquisition of capital project planning and management software by the Department of General Services;
- 2) \$300,000 each year for professional staff at the Department of General Services for planning and management of capital projects as authorized in the conference reports on SB/HB 5001 (2008 Special Session I); and,
- 3) \$4.1 million for debt service on VPBA and VCBA bonds authorized by SB/HB 5001 (2008 Special Session I).

Amendment No. 33
Conversion of Additional GF Capital Projects to VPBA Debt
(Item C-181.10)

General Assembly Action: The General Assembly authorized the conversion of \$300.0 million of capital projects originally supported by general fund cash to financing with VPBA and VCBA bonds.

Governor's Action: The Governor proposes to restore \$10.7 million to general government projects by authorizing VPBA bonds

Note: This is the fourth in a series of five amendments in which the Governor proposes to: (a) free-up \$55.0 million in general fund cash from previously approved capital projects; (b) replace project funding with VPBA and VCBA debt; and (c) use the freed-up general funds to provide: \$5.0 million GF for the preservation of Civil War battlefields, and \$50.0 million GF for planning future capital projects authorized in the conference reports on SB/HB 5001 (2008 Special Session I).

Amendment No. 34
George Mason University
Supplement Academic VI and Research I
(Item C-177)

General Assembly Action: No action.

Governor's Action: The Governor proposes a language amendment that makes the **technical changes** to the Virginia College Building Authority (VCBA) bond authorization table to implement Amendment No. 31, which proposes an additional \$5.0 million from VCBA bonds to address market escalation of construction costs for George Mason University's Academic VI and Research II projects.

Amendment No. 35
Conversion of Additional GF Capital Projects to VCBA Debt
(Item C-182.10)

General Assembly Action: The General Assembly authorized the conversion of \$300.0 million of capital projects originally supported by general fund cash to financing with VPBA and VCBA bonds.

Governor's Action: The Governor proposes to restore \$44.3 million to higher education projects by authorizing VCBA bonds.

Note: This is the fifth in a series of five amendments in which the Governor proposes to: (a) free-up \$55.0 million in general fund cash from previously approved capital projects; (b) replace project funding with VPBA and VCBA debt; and (c) use the freed-up general funds to provide: \$5.0 million GF for the preservation of Civil War battlefields, and \$50.0 million GF for planning future capital projects authorized in the conference reports on SB/HB 5001 (2008 Special Session I).

Amendment No. 36
Part 3: Miscellaneous
State Asset Forfeiture Fund
(Item 3-3.04)

General Assembly Action: No action.

Governor's Action: The Governor proposes a language amendment to eliminate the retention in the general fund of interest earnings from the State Asset Forfeiture Fund at the Department of State Police. Court orders require that the department retain the principal amounts in the fund as well as any interest earned.

Amendment No. 37
Part 4: General Provisions
Withholding of Spending Authority
(Item 4-1.02)

General Assembly Action: The General Assembly added language that requires that the plan which the Governor must submit to the Chairmen of the House Appropriations and Senate Finance Committees prior to withholding any allotments of appropriations in the event of a reduction in General Fund Revenues is to be the sole basis for the withholding. The General Assembly also included a requirement that all budget reduction proposals from state agencies must be provided concurrently with the budget reduction plan.

Governor's Action: The Governor proposes to restore the language to the version as included in the budget, as introduced.

Notes:

- Similar language was included by the General Assembly in Chapter 847, 2007 Acts of Assembly.

Amendment No. 38
Part 4: General Provisions
Adjustment of Appropriations
(Item 4-1.06)

General Assembly Action: The General Assembly approved language to require that the State Comptroller must obtain the “written concurrence of” the Auditor of Public Accounts (APA) before authorizing certain cash disbursements. Language in the introduced budget required only that the Comptroller provide “notification to” the APA.

Governor's Action: The Governor proposes to restore the language to the version as included in the budget, as introduced.

Notes:

- Similar language was included by the General Assembly in Chapter 847, 2007 Acts of Assembly.
- The explanation to the Governor's amendment suggests it is "inappropriate on constitutional grounds" to require the State Comptroller, who is an executive official, to obtain approval of the Auditor of Public Accounts, who is a legislative official, prior to completing a transaction that he (the Comptroller) is authorized to do by statute.

Amendment No. 39
Part 4: General Provisions
Legal Settlements
(Item 4-2.02)

General Assembly Action: The General Assembly added language to require that the proceeds from all legal settlements involving the Commonwealth's interests shall be deposited into the General Fund.

Governor's Action: The Governor proposes language to exempt any legal settlement involving the interests of the Virginia Retirement System (VRS) from this requirement.

Notes:

- The explanation notes that due to the constitutional nature of the VRS trust fund and the fact that settlements include local governments and employees, it would be problematic to require these settlements be deposited into the General Fund.

Amendment No. 40
Part 4: General Provisions
Employee Compensation
(Item 4-6.01)

General Assembly Action: The General Assembly added language to mandate that no person who is appointed to a position by the Governor, which is subject to confirmation by the General Assembly, shall receive any compensation if the appointment was subsequently withdrawn and that person is subsequently reappointed after the conclusion of the General Assembly's regular Session.

Governor's Action: The Governor proposes to eliminate this requirement.

Notes:

- Similar language was included by the General Assembly in Chapter 847, 2007 Acts of Assembly.

Amendment No. 41
Part 4: General Provisions
Faculty Salary Differential
Virginia Community College System
(Item 4-6.01)

General Assembly Action: No action.

Governor's Action: The Governor proposes a **technical amendment** to clarify the language for the salary differential for faculty at the Northern Virginia Community College.

Notes:

- In previous budgets, the language addressing this issue was included under the agency appropriation.
- The Northern Virginia Community College receives an eight percent salary differential compared to the other community colleges.